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Westly Announces \$524 Million Collection Effort

SACRAMENTO – State Controller and Franchise Tax Board Chair Steve Westly today said the State collected a record \$524 million from people who earned income in 2004 but did not file California tax returns. This year's efforts brought in \$53 million more than a similar program last year.

"Honest taxpayers shouldn't subsidize those who are cheating the system," Westly said. "Our efforts help bridge California's budget gap by bringing people who don't pay their fair share back into the fold."

The FTB's annual enforcement program identifies roughly 800,000 individuals who earned California income but did not file State income tax returns. Early this year, the FTB sent notification letters to non-filers requesting either a completed tax return or an explanation. Letter recipients must respond within 30 days or face increased penalties or fees.

"Our enforcement efforts are critical to narrowing the state's \$6.5 billion tax gap," said Board of Equalization Chair and FTB Member John Chiang. "Every dollar that goes uncollected is a dollar taken from education, public safety, and other critical services in California."

The enforcement program utilizes an integrated system that uses information resources and income data to identify individuals that should have filed returns but didn't. According to the FTB, the majority of people contacted through their programs will voluntarily comply with the State tax laws in future years. The FTB will begin notifications for the 2005 tax-filing season later this year.

During his term, Controller Westly has initiated collection programs that have brought in more than \$5 billion to the State from tax cheats.

The FTB offers assistance with filing information, payment options, tax forms and reminders about next year's filing deadline on their Web site at www.ftb.ca.gov. Individuals can also call the FTB at (800) 852-5711 to get important tax information.

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